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ZNR UUUUU ZZH
P 250416Z JUL 07 ZDK
FM AMEMBASSY NAIROBI
TO RUEHC/SECSTATE WASHDC PRIORITY 1279
INFO RUEHDS/AMEMBASSY ADDIS ABABA 9464
RUEHAN/AMEMBASSY ANTANANARIVO 0245
RUEHJB/AMEMBASSY BUJUMBURA 0187
RUEHEG/AMEMBASSY CAIRO 3954
RUEHDR/AMEMBASSY DAR ES SALAAM 5394
RUEHDJ/AMEMBASSY DJIBOUTI 4793
RUEHOR/AMEMBASSY GABORONE 0902
RUEHSB/AMEMBASSY HARARE 1604
RUEHKM/AMEMBASSY KAMPALA 2177
RUEHKH/AMEMBASSY KHARTOUM 1348
RUEHLGB/AMEMBASSY KIGALI 4886
RUEHKI/AMEMBASSY KINSHASA 1888
RUEHLG/AMEMBASSY LILONGWE 2333
RUEHLU/AMEMBASSY LUANDA 0864
RUEHLS/AMEMBASSY LUSAKA 4129
RUEHTO/AMEMBASSY MAPUTO 1786
RUEHMB/AMEMBASSY MBABANE 0475
RUEHNR/AMEMBASSY NAIROBI 0241
RUEHPL/AMEMBASSY PORT LOUIS 1690
RUEHSA/AMEMBASSY PRETORIA 8898
RUEHWD/AMEMBASSY WINDHOEK 0805

UNCLAS NAIROBI 003021

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E.O.12958: N/A

TAGS: [OTRA](#)

SUBJECT: THE TWELFTH SUMMIT OF THE COMESA AUTHORITY OF
HEADS OF STATE AND GOVERNMENT. THEME: DEEPENING REGIONAL
INTEGRATION FOR DIVERSIFICATION AND VALUE ADDITION

SUMMARY:

¶1. This is a summary of the Twelfth COMESA Summit proceedings held in Nairobi, Kenya, from May 22-23, ¶2007. The Summit was preceded by meetings of the Committee of Experts, Ministers of Justice, Ministers of Foreign affairs and COMESA Council of Ministers. The Fourth COMESA Business Summit and the Fourth COMESA First Ladies Roundtable were also held over the same period.

¶2. The Authority adopted a common external tariff structure, with raw materials and capital goods at a tariff rate of zero percent, intermediate goods at ten percent, and finished goods at twenty-five percent. The Authority announced that COMESA will launch its Customs Union on December 8, 2008. It also determined that the COMESA Fund will support countries that experience revenue losses from joining the Free Trade Area and/or the Customs Union. The fund will also be used for infrastructure development. The Summit directed the Council of Ministers Chairperson to convene a summit meeting between COMESA, the East African Community (EAC) and the Southern Africa Development Community (SADC) in order to agree on a convergence time table for the three regional organizations? programs, in accordance with the requirements of the African Union.

¶3. At the Summit, Zimbabwe was elected as Vice Chair of the Authority and appointed to host the 2008 Summit.

¶4. This cable provides a list of participants at the Summit (paragraphs 5 - 9), a summary of the opening speeches (paragraphs 10-15), the final Summit communiqué (paragraph 16-32), and additional contact details for more information (paragraph 33).

ATTENDANCE:

¶5. The Summit was attended by the following COMESA Heads of State and Government: Mr. Mwai Kibaki, President of the Republic of Kenya, King Mswati III of the Kingdom of Swaziland, Mr. Robert Gabriel Mugabe, President of the Republic of Zimbabwe, Mr. Yoweri K. Museveni, President of the Republic of Uganda, Mr. Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia, Mr. Ismail Omar Guelleh, President of the Republic of Djibouti, Mr. Paul Kagame, President of the Republic of Rwanda, Mr. Levy Patrick Mwanawasa, President of the Republic of Zambia, Mr. Salva Kiir Mayerdit, First Vice President of the Republic of Sudan, Dr. Martin Nduwimana, First Vice President of the Republic of Burundi, Mr. Ikilou Nidhoime, First Vice President of the Union of the Comoros.

¶6. The following Plenipotentiaries represented the Heads of State and Government of the following COMESA countries: Murlidhar Dulloo, Minister of Foreign Affairs of the Republic of Mauritius, Ahmed Aboul-Gheit, Minister of Foreign Affairs of the Arab Republic of Egypt, Joyce Banda, Minister of Foreign Affairs of the Republic of Malawi, Ali A. Triki, Minister for African Affairs of the Libyan Arab Jamahiriya, Marcel Ranjeva, Minister of Foreign Affairs of the Republic of

Madagascar, Gata Mavita Ignace, Minister of Regional Integration of the Democratic Republic of Congo, Jacquelin P. Dugasse, Minister of Investment, Industries and Technology of the Republic of Seychelles, and Stifanos Habte Ghebremariam, Head of the Delegation of the State of Eritrea.

¶7. Numerous countries were represented by their Special Envoys to COMESA. Ambassador Carmen Martinez led the U.S. delegation to the summit. Other envoys to COMESA were from France, Cuba, Italy, China, Russia, India, Botswana, Germany, Sweden, and Japan.

¶8. The following representatives from international and regional organizations participated in the deliberations of the summit: Commissioner Dr. Maxwell Mkwezelamba of the African Union, Ms. Anna K. Tibaijuka, Executive Director of the United Nations Organization in Nairobi (UNON), Ambassador Julius Onen, Deputy Secretary General, East African Community (EAC), Ambassador Liberta Mulamula, Executive Secretary of the International Conference on the Great Lakes Region (ICGLR), Mr. G. Onyango, Executive Secretary of the Northern Corridor Transit Transport Coordination Authority (NCTTCA), Mr. Charles M. Mbogori, Executive Director, East African Business Council (EABC), and Dr. Kandeh K. Umkella, Director General of the United Nations Industrial Development Organization (UNIDO).

¶9. The following represented the COMESA Institutions: Honorable Nzamba Kitonga, President, COMESA Court of Justice, Dr. Michael Gondwe, President, Eastern and Southern Africa Trade and Development Bank (PTA Bank), Mr. Shadreck Lubasi, Managing Director, PTA Re-Insurance Company (ZEP-Re), Dr. Kombo Moyana, Executive Secretary, COMESA Clearing House, Dr. Geremew Debele, Director, Leather and Leather Products Institute (LLPI), and Mr. Peter Jones, Managing Director of the African Trade Insurance Agency (ATI).

¶10. The following organizations were also represented: the African Development Bank (ADB); the European Commission (EC), the U.S. Agency for International

Development/East Africa (USAID/EA), World Bank, Commonwealth Secretariat (COMSEC), Food and Agricultural Organization (FAO), International Civil Aviation Organisation (ICAO), Gulf Cooperation Council (GCC), the International Labor Organisation (ILO), United Nations Economic Commission for Africa (UNECA), the East African Trade Hub (ECA Hub), Association for Strengthening in Eastern and Southern Africa (ASERECA), the World Food Program (WFP), Southern Africa Customs Union, International Organisation for Migration (IOM), and the International Organization of the Francophonie (IOF).

OPENING STATEMENTS:

¶10. In his speech, Mwai Kibaki, President of the Republic of Kenya, expressed gratitude to Djibouti President Ismail Omar Guelleh, for his contribution to the COMESA regional agenda. Kibaki announced that the Summit agenda included taking stock of the status of COMESA regional integration agenda, reviewing the implementation of the on-going projects and programs,

and assessing the progress achieved in the implementation of the Djibouti Summit Declarations. He emphasized the importance of the proposed Common External Tariff structure, a cardinal requirement for the launch of the COMESA Customs Union.

¶11. In the keynote address, the outgoing Chairman of the COMESA Authority, President Guelleh, announced that the launch of the COMESA Customs Union will be celebrated on December 8th, 2008, in Harare Zimbabwe. President Guelleh noted that Djibouti, as Chair of COMESA, undertook consultations, immediately after the November, 2006 Summit, with member States that had not yet acceded to the COMESA FTA. The outcome of these consultations was that all COMESA non FTA member States had reaffirmed their commitment to join the FTA at the earliest opportunity.

¶12. President Guelleh noted that COMESA had achieved success on the common external tariff structure for the Customs Union by establishing a four-band system: 0 percent for capital goods, 0 percent for inputs, 10 percent for semi-finished goods, and 25 percent for finished goods. He noted that the Council of Ministers had come up with a Common External Tariff Structure (CET), which meets the requirements of all COMESA countries. President Guelleh then noted that an important feature of this CET structure was that it provided for "national policy space and flexibility on specific and limited product lines for reasons of competitiveness and revenue considerations." President Guelleh stated that --taking into account that COMESA member States had limited savings for investments-- contacts had been initiated with financial institutions and private investors in the Gulf States, India, and China to ensure enhanced foreign direct investment in the region.

¶13. President Guelleh noted the need to urgently address regional infrastructural challenges. He further observed that it was common knowledge that COMESA ports, roads, railways, telecommunications, and energy facilities had to be redesigned to inter-connect COMESA countries. They would require new investments as well as upgrades to existing networks. President Guelleh announced that COMESA Ministers responsible for Infrastructure had met jointly and had devised a compendium of infrastructure projects that require a total investment of USD 28 billion. He also indicated that Djibouti would be willing to host the COMESA Fund.

¶14. President Guelleh informed the Summit participants that the cooperation between COMESA, SADC, IGAD, EAC and IOC, through the Inter-Regional Co-coordinating Committee, had been positive. The Committee had made

progress toward convergence and the ultimate realization of an African Economic Community under the African Union. He observed that the joint COMESA, EAC and SADC Task Force had also made considerable progress in harmonizing common programs, thus avoiding duplication of efforts and waste of scarce resources. He then proposed that the COMESA members needed to reaffirm their commitment to the convergence process of the regional economic communities, at a political level, to

ensure the success of the harmonization efforts.

VOTE OF THANKS:

¶15. King Mswati III of Swaziland thanked President Kibaki and President Guelleh for their encouraging statements, which in his view had set the stage for the deliberations of the Twelfth Summit. Mswati noted that Kenya has been a key contributor to the integration agenda of COMESA and further highlighted the importance of economic integration as a tool for addressing the challenges of development. He also affirmed that all the Member States had been confident in the leadership of President Mwai Kibaki during his tenure as Chairman of COMESA.

THE FINAL COMMUNIQUE OF THE TWELFTH COMESA SUMMIT:

¶16. At the end of the Summit, the Heads of State and Government released the following communique stating as follows:

- a) ELECTED by acclamation the Republic of Kenya as Chairman, the Republic of Zimbabwe as Vice-Chairman and the Republic of Djibouti as Rapporteur
- b) NOTED with appreciation the Report of the Secretary General on the State of Integration in COMESA
- c) CONSIDERED AND ADOPTED the Reports of the Twenty Third Meeting of the Council of Ministers and the Eighth Meeting of the Ministers of Foreign Affairs
- d) ENDORSED the recommendations of the Fourth COMESA Business Forum and agreed on the need to strengthen public and private sector partnership
- e) ENDORSED the Communique of the Fourth Roundtable of the First Ladies of the COMESA countries which took place concurrently with the Twelfth COMESA Summit.

¶17. TRADE AND CUSTOMS DEVELOPMENT:

- a) NOTED with satisfaction the rapid and sustained growth in intra-COMESA trade in 2006 over 2005 and COMMENDED member states for agreeing to remove the remaining non tariff barriers
- b) URGED all Member States not yet participating in the Free Trade Area (FTA) to join the FTA before the launch of the COMESA Customs Union on December 8, 2008
- c) ADOPTED the COMESA Common External Tariff structure of a four band category of raw materials, zero percent; capital goods, zero percent; intermediate goods, ten percent and final goods twenty-five percent, with the provision for flexibility on policy space
- d) DIRECTED that all the necessary technical work and implementation modalities on the Common External Tariff (CET) based on the UN classification system and other related areas be finalized before the next Summit of Heads of State and Government to ensure that the Customs Union is launched on 8th December 2008
- e) REAFFIRMED the commitment to launch the COMESA Customs Union on 8th December 2008
- f) DIRECTED all member States to implement the agreed workings and processing for the Change in Tariff Heading (CTH) origin conferring criterion
- g) AGREED on the need to complete the program on Trade in Services as its promotion has potential to enhance

growth of all the COMESA economies.

18. MONETARY AND FINANCIAL MATTERS:

- a) CALLED upon member States who are yet to ratify the COMESA Fund to do so, in order to enable them to benefit from the Regional Development Fund
- b) NOTED that the COMESA Fund was now in force and STRESSED the paramount role to be played by the Fund as one of the regional financial vehicles to receive all development funding for COMESA from Aid for Trade, Economic Partnership Agreement and other financial assistance schemes
- c) ENDORSED the establishment of a COMAid unit in the COMESA Secretariat to undertake technical analysis and prepare a coherent Aid for Trade compatible program to access the available resources under the Aid for Trade initiative for addressing trade-related infrastructure, supply-side constraints and economic and social costs of adjustment arising from the implementation of bilateral, regional and multilateral trade agreements
- d) CALLED on development partners to support an ambitious COMESA Aid for Trade Program to be launched in 2007.

19. MULTILATERAL ISSUES:

- a) NOTED that the Economic Partnership Agreement (EPA) negotiations that were launched in 2004 between Eastern and Southern Africa countries and the European Union had made significant progress since the last Summit and are expected to be concluded in December 2007
- b) REAFFIRMED the importance of ensuring that EPA should be a development tool to support ESA countries to address the supply side constraints of the region as well as improve ESA market access to the European Union (EU)
- c) RECALLED the commitment and the decision of EU Council to provide additional resources for EPA implementation and adjustment costs, taking into consideration the regions development needs as spelt out in the draft development matrix and urged that such resources be adequate and be provided on a predictable basis
- d) WELCOMED the resumption of the WTO Doha Development Agenda negotiations earlier this year
- e) REITERATED that the WTO negotiation process should be transparent, all-inclusive and open to all Members
- f) STRESSED that the outcome of the WTO Doha Ministerial Declaration (DDA) should meet the development expectations of developing and least developing countries, including COMESA Member States in line with the letter and spirit of the Doha Ministerial Declaration.

20. INFRASTRUCTURE:

- a) COMMENDED the ongoing implementation of Joint Air Transport Competition Regulations by the responsible Ministers of COMESA, SADC and EAC and AGREED on the speedy establishment of the Joint Competition Authority
- b) URGED all Member States to implement the COMESA trade and transit transport facilitation instruments so as to enhance movement of transit and cross border

traffic

- c) AGREED on the need for COMESA to develop a Model Agreement for Railways Concessioning within the COMESA region and on the need to facilitate the establishment of a seamless rail transportation system in the COMESA region
- d) ACKNOWLEDGED the important role of Information Communication and Technology (ICT) in social and economic development and COMMENDED the ongoing regional ICT Broad band initiatives
- e) URGED Member States to allocate funds from the national budgets as their contribution and commitment to project implementation and REQUESTED Member States to

establish national Private Public Partnership units to facilitate development of bankable projects
f) DIRECTED the Secretariat to establish a dedicated Project Preparatory Facility with the mandate to prepare bankable regional infrastructure projects and negotiate with potential financiers supported by the project steering Committees.

¶21. INFORMATION AND NETWORKING

a) URGED the Member states to pursue the adoption of laws on e-legislation, including on Computer Crime and Electronic Transactions

¶22. AGRICULTURE:

a) NOTED that the Comprehensive Africa Agricultural Development Program (CAADP) was being implemented at both the regional and national levels and urged Member States to accelerate the rate of its implementation in order to address issues for increased Agricultural Production and Food Security in the COMESA region.
b) NOTED progress made in the implementation of the Agricultural Marketing Promotion and Regional Integration Project (AMPPRIP) and in particular, noted that a region-wide and Web-based food and Agricultural Management Information System (FAMIS) had been designed and would soon become operational
c) COMMENDED Member States which had attained Agricultural surplus, during the 2007/2008 marketing season as a result of progressive policies and support programs.

¶23. INDUSTRY:

a) URGED Member States to promote value adding technologies and agro processing Industries as part of the diversification of their economies
b) APPRECIATED that the Secretariat had, as directed by the Djibouti Summit, commenced analytical work to compile an inventory of productive and manufacturing structures in all Member States in order to identify existing and potential industries to supply the COMESA Market
c) INSTRUCTED the Secretariat to undertake further analytical work in full collaboration with Member States
d) URGED Member States to designate dedicated officers to serve as National Focal Points for the compilation of an inventory of the main industrial production and manufacturing structures.

¶24. PRIVATE SECTOR DEVELOPMENT:

a) COMMENDED the COMESA Business Council and the Kenya Association of Manufacturers for successfully convening a Business Forum on the margins of the Summit to promote Public Private Partnership
b) AGREED on the need for the Business Community and other stakeholders to work closely with National Governments in support of the regional integration agenda
c) WELCOMED the increased participation of private sector, NGO and Civil Societies entities in COMESA Programs.

¶25. LEGAL AND INSTITUTIONAL:

a) ADOPTED the Investment Agreement for the COMESA Common Investment Area and opened the Agreement for signature by those States that are ready to sign the Agreement
b) AGREED on the need to continue strengthening the COMESA Court of Justice.

¶26. COOPERATION BETWEEN COMESA, OTHER REGIONAL ECONOMIC COMMUNITIES AND THE AFRICAN UNION:

- a) NOTED with satisfaction the enhanced collaboration between COMESA and other regional organizations in Africa particularly with EAC, IGAD and IOC in the framework of the Interregional Coordination Committee (IRCC) with the objective of achieving program harmonization and convergence so as to expedite the realization of the African Economic Community
- b) COMMENDED the progress being made in the framework of the Joint Task Force between COMESA, SADC and EAC to discuss the coordination and harmonization of the activities of the three institutions
- c) MANDATED the Chairman of the COMESA Authority to consult with SADC and EAC on the convening of a joint Summit for the three Regional Economic Communities (RECs)
- d) AGREED that the acceleration of integration of Africa can best be achieved through the adoption by all Regional Economic Communities of Convergence criteria for attaining continental integration under the coordination of the African Union.

127. COOPERATION BETWEEN COMESA AND PARTNERS:

- a) EXPRESSED APPRECIATION to the many cooperating partners for their continued support to the implementation of COMESA programs and APPRECIATED the new partnership with the Cooperation Council of the Gulf States (GCC).

128. ECONOMIC AND SOCIAL DEVELOPMENT:

WELCOMED the continued implementation of the COMESA Gender Policy.

129. COMESA INSTITUTIONS:

NOTED with appreciation the operations of the COMESA Institutions and their positive contributions to the

COMESA integration Agenda.

130. PEACE AND SECURITY:

- a) REVIEWED the progress made so far in addressing peace and security issues in the COMESA Region.
- b) COMENDED COMESA Member States for their ongoing efforts in addressing issues of peace and security in the Common Market as well as the Continent as a whole and URGED them to intensify their efforts in the search for modalities for addressing issues of peace and security as well as post conflict transformation issues
- c) RECALLED the mandate adopted in their previous Summits to focus on addressing the root causes of conflicts in areas of comparative advantage for COMESA in trade and investment to compliment the efforts of the African Union Peace and Security Council and other sub regional mechanisms
- d) NOTED with satisfaction the participation of COMESA as a building block of the African Union, in the development and consolidation of the African Union Peace and Security Architecture through the implementation of Continental Peace and Security Programs such as the Continental Early Warning and Response Mechanism as well as the development of the Continental Policy on Post Conflict Reconstruction and Development
- e) CALLED on COMESA to mainstream its mandate in conflict prevention in all trade and investment programs to ensure that Economic Integration serves as a catalyst for peace, security and stability as envisioned by the designers of the COMESA Treaty
- f) REAFFIRMED the continuous need to enhance solidarity among Member States of COMESA through adherence to the principles under which the COMESA Treaty was founded such as the promotion of good governance, good neighborliness and the resolution of conflicts through dialogue
- g) CONGRATULATED His Excellency President Joseph Kabila

of the Democratic Republic of Congo (DRC) for his election to the High Office of the President of the Democratic Republic of Congo (DRC)

h) CONGRATULATED His Excellency President Marc Ravalomanana, on his re-election to the High Office of the President of the Republic of Madagascar

i) COMMENDED AND CONGRATULATED the people and governments of the Democratic Republic of Congo (DRC) and Madagascar, for successfully holding peaceful democratic elections

j) EXPRESSED APPRECIATION to COMESA Member States for supporting the electoral processes in the two countries by participating and supporting COMESA Electoral Observer Missions to the elections

k) NOTED with appreciation the offer made by the Government of the Republic of Zambia to assist the Democratic Republic of Congo and other COMESA Member States emerging out of conflicts in the establishment of governance systems based on her past experience in assisting some countries in the region

l) CALLED upon COMESA Member States and the wider International Community to continue providing support to the Democratic Republic of Congo and other COMESA Member States in the Great Lakes Region towards consolidation of peace and security as well as addressing issues of post conflict transformation

m) CALLED upon COMESA Member States to work together in organizing an Investment Conference for the Democratic Republic of Congo as a contribution to the Post Conflict Reconstruction and Development of the Country and the Great Lakes Region as a whole

n) NOTED with appreciation the conclusion of the Tripoli Consensus on the holding of peace talks on Darfur and URGED all parties to the Conflict to utilize this consensus in finding a political solution to the conflict

o) CALLED upon the International Community to support and strengthen AMISOM and address the humanitarian needs of the civilian population in Somalia

p) COMMENDED the Government of the Republic of Uganda for deploying Peacekeepers to Somalia and the Government of Burundi in its readiness to deploy peacekeepers to join AMISOM in Somalia.

31. CLOSURE OF THE SUMMIT:

31.1 Vote of Thanks:

a) Robert Mugabe, President of the Republic of Zimbabwe delivered what was to be a five minute 'Vote of Thanks' but instead spent 45 minutes lashing out at 'foreign powers' in general and epically at the UK, U.S., and the EU. He focused on blaming the woes of the entire continent on 'imperialism and colonial intervention' instead of highlighting the main issues discussed by the meeting such as the Customs Union and ongoing negotiations with the European Union. Most of the address was devoted to the political and economic problems in Zimbabwe (all attributed to interference by the UK and the U.S. along with distorted reporting by the international press). Mugabe's remarks received applause from the audience. President Mugabe closed by thanking the COMESA Secretariat for their excellent support to the Summit and promising that the Summit in Harare in 2008 would be just as successful.

31.2 Chairman's Closing Statement:

a) In his closing statement, Kibaki stressed that achieving and sustaining deeper integration at the level of Customs Union required addressing the region's vast rural and urban infrastructure requirements and improving the investment climate.

b) He further emphasized the need to improve COMESA's ability to produce value-added products for regional and global markets in the agricultural and industrial

sectors. He underscored the need to pay attention to the export of "products of the intellect." President Kibaki then indicated that the key to this was human resource development, particularly in science and technology.

c) President Kibaki stressed that stable political and social conditions were necessary to nurture sustained growth and integration. He noted that the number of conflicts had dramatically reduced in the past three years, thus, making it possible for COMESA to provide undivided attention to finding lasting solutions to the remaining conflicts. President Kibaki then indicated that this Summit had in no small measure contributed to the Africa Union efforts of re-establishing peace in the few trouble spots in the COMESA region.

133. Key Contacts for more Information:

- a) Visit COMESA at www.comesa.int
- b) Stephanie Wilcock, Regional Trade Advisor, USAID East Africa, Regional Economic Growth and Integration Office; email: swilcock@usaid.gov.
- c) Nzuki Mwanja, Regional Trade Policy Specialist, USAID East Africa, Regional Economic Growth and Integration Office; email: nmwania@usaid.gov.

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